

Frequently Asked Questions

Broadband Funding in the American Recovery and Reinvestment Act

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Bob Bocher, Wisconsin Dept. of Public Instruction, State Library Division

(608-266-2127, robert.bocher@dpi.wi.gov)



Since passage of the American Recovery and Reinvestment Act (ARRA, PL 111-6) in February, there has been considerable interest in the broadband language included in the law. This FAQ highlights the broadband sections in the ARRA that are of most interest to the library and education communities. It is linked to the department's broadband website at <http://dpi.wi.gov/pld/arrabbfunding.html>. The American Library Association site on the ARRA (www.ala.org/knowyourstimulus) also has links to broadband information.

Q 1: How much broadband funding is available and what are the primary purposes of the funding?

A: \$7.2 billion is appropriated in the legislation. Most of this will be awarded in competitive grants, which will require a minimum 20% match from other (non-federal) funding sources. The overall purpose of the ARRA is to stimulate the economy. The specific purposes of the broadband funding are:

- To provide broadband service to consumers in unserved areas of the country and to improve broadband service to consumers in underserved areas.
- To provide broadband education, training, awareness, access, equipment and support
 - To educational institutions, libraries, and other community support organizations to facilitate greater use of broadband by or through these organizations.
 - To organizations that provide access and support services to facilitate greater use of broadband by low-income, unemployed, aged, and other vulnerable populations.

Q 2: Will the broadband funding be administered at the state or local level?

A: Neither. While much of the federal stimulus funding is being administered by states or localities, the broadband funding is being administered by two federal agencies. (1) The Commerce Department's National Telecommunications and Information Administration (NTIA) received \$4.7 billion to administer the Broadband Technology Opportunities Program—BTOP. (2) The Agriculture Department's Rural Utilities Service (RUS) received \$2.5 billion for a broadband deployment program. Some of the RUS funding will likely be for low-interest loans. (The NTIA section of the law is much more detailed than the RUS section.)

Q 3: Are grant guidelines and application forms available yet?

A: No. As of the date of this FAQ there has been no announced Notice of Funds Availability (NOFA), which opens the application process, establishes specific grant criteria, etc. Thus there are many rumors but little factual information available. The NTIA has said it anticipates four grant programs: (1) Broadband mapping; (2) Public computer center capacity; (3) Innovative uses of broadband, and; (4) Large broadband deployment and expansion. Also, the NTIA recently released the following timeline and stated that it intends to have three rounds of grants. Program changes may be made for the second and third rounds.

- Publish of first Notice of Funds Availability (NOFA): June 2009 (speculation is late June)
- Initial proposal processing and review: September - December 2009, with grant awards made in December (this implies a proposal deadline for the first round of grants about September 1)
- Second and third NOFAs announced: 2010 (the second round will likely be very early in 2010)
- All grants awarded: September 30, 2010

Q 4: Who can apply for a grant?

A: The program will be open to a wide variety of applicants including government agencies, educational institutions, libraries, not-for-profits, and any other entity—including broadband providers—that the NTIA deems to be "in the public interest." *Note:* Even schools and libraries with sufficient broadband capacity should be able to apply for grants that address the education and training purposes in the law.

Q 5: While grant forms are not yet available, does the law state what the funding can be used for?

A: Yes. Within the purposes stated in the law, funds can be used for the following:

- To acquire equipment, networking capability and infrastructure for broadband services.
- To construct and deploy broadband service related to infrastructure.
- To ensure access to broadband services by "community anchor institutions."
- To fund other projects the NTIA finds consistent with the purposes of the broadband program.

Also, some of the NTIA funding is targeted at specific groups or for specific purposes. For example:

- A minimum of \$200 million is for grants to expand “public computer center capacity.” Public libraries and community colleges are specifically referenced in the law as eligible for this funding.
- A minimum of \$250 million is for grants for “innovative programs” to encourage adoption and sustainability of broadband service. (“Innovative” is not defined in the law.)
- A maximum of \$350 million can be used to develop and maintain a national broadband inventory map.
- The FCC will use an unstated amount to develop a national broadband plan by February 2010. (On April 8 the FCC opened a public comment period seeking input on developing a national broadband plan.)

Q 6: The law uses many terms, like “unserved.” Are these defined in the Act?

A: Many terms like “unserved”, and even “broadband” are not defined in the Act. These terms will be defined when the first NOFA is released, likely in late June.

Q 7: The NTIA/RUS asked for comments on the broadband program. Where can these be found?

A: Over a thousand comments were filed by the April 13 deadline (many were brief emails). They are at <http://www.ntia.doc.gov/broadbandgrants/comments.cfm>. Here are specific sites from several organizations:

- American Library Association – <http://www.ntia.doc.gov/broadbandgrants/comments/7AA6.pdf>
- Bill & Melinda Gates Foundation – <http://www.ntia.doc.gov/broadbandgrants/comments/7358.pdf>
- WI Dept. of Public Instruction, State Library – <http://www.ntia.doc.gov/broadbandgrants/comments/729A.pdf>

Q 8: What is the relationship between the new broadband program and the federal E-rate program?

A: There is no direct relationship, other than you obviously cannot get funding from both programs for the same activity. These programs can be viewed as complementary: The broadband grant program can help pay for initial infrastructure build out (e.g., fiber) and the E-rate can help pay for ongoing costs.

Q 9: While grant forms are not yet available, can my library or school do anything right now?

A: Yes. Talk to others (local, county, state government, regional library/education cooperatives, the higher education community, etc.) to find out if any efforts are underway regarding a possible proposal. (Proposals showing partnerships and aggregating demand may get priority for funding.) Also, the grant application form will likely ask for the following information in some manner: What is the problem or issue you have identified and your proposed solution? What are your qualifications to manage/implement the project? What is the project’s timeline? Provide a detailed budget and the source of your 20% match. How will you evaluate your project? How will you sustain it? How will the project enhance education or library services? In addition, the NTIA will determine the BTOP program’s success by using the following measures. (Applications that address these five “measures” will obviously be in a stronger position vs. those that do not.)

1. Job creation: Report on the number and type of jobs created due directly to the grant funding.
2. Expand broadband access: Report on the speed and cost of such access.
3. Stimulate private-sector investments: Report on the amount and types of investments.
4. High-speed access to strategic institutions: Report on any new equipment, capacity and potential new users. (It is assumed that these are the “anchor institutions” referenced in the Act.)
5. Encourage broadband demand: Report on any new customers using your services or resources.

Q 10: The NTIA/RUS will likely get many thousands of grant applications. How will it prioritize these?

A: This is a large “unknown” but possible ways the federal agencies may address this include the following.

- Limit the length of the grant narrative. (Likely to be implemented with a limit of 10-15 pages.)
- Have states to recommend priorities or preferences. (The law allows the NTIA to “consult” with states.)
- Define the purposes of the law or the targeted funding in a narrow fashion.
- Give preference to projects that:
 - Demonstrate a long-term impact (e.g., fiber).
 - Show collaboration and partnerships and/or have a regional or statewide impact.
 - Can document sustainability after the grant ends.
 - Show an existing planning process or organizational structure that predates the ARRA.

The first (June) grant cycle will likely have an application deadline about September 1. This benefits proposals that are shovel-ready now. Projects that cannot make this deadline will need to consider the two 2010 grant rounds.